



Lowlights of the Latest Health Care Bill

RAISES TAXES

- \$569.2 billion in tax increases in the Senate bill PLUS the reconciliation bill
- The bill expands the Medicare payroll tax—for the first time in history—to all investment income for individuals with incomes over \$200,000 and families with incomes over \$250,000. Because the underlying Senate bill does NOT index this new tax for inflation, more and more middle-class American families will be hit by this tax over time, just like the Alternative Minimum Tax (AMT).
- The bill raises \$60 billion in taxes before any of the major benefits go into effect.
- 98% of the major benefits don't start until 2014.

KILLS JOBS

- The reconciliation bill nearly triples the penalty—from \$750 to \$2,000—on businesses that cannot afford qualified insurance to their employees.
- Extends the Medicare tax to all non-wage income raising the top marginal rate on small business owners by 20%, and the top tax rate on investment income by 60%—discouraging the activity needed to grow the economy and create new jobs.

HIGHER PREMIUMS

- The reconciliation bill nearly doubles the tax on health insurers beginning in 2014, and also raises taxes and fees on drug makers and medical devices.
- The Congressional Budget Office (CBO) has specifically stated that these taxes will be passed on to all Americans in the form of higher health costs and rising insurance premiums

RAIDS SOCIAL SECURITY

- \$53 billion in new Social Security taxes to achieve the appearance of deficit cuts
- These revenues are meant to pay Social Security benefits, not fund a new entitlement

CUTS MEDICARE

- \$520 billion in Medicare cuts (including \$66.1 billion for Medicare Advantage) and \$210 billion in new Medicare taxes.
- Democrats claim these “cuts” help Medicare become for financial stable. CBO has written that savings under this bill “would not enhance the ability of the government to pay for future Medicare benefits.”

HIDES TRUE MEDICARE COSTS

- \$371 billion to fix planned cuts to doctors for serving Medicare patients were removed from the bill to lower the cost of the bill.
- The bill closes the Medicare Part D prescription drug donut hole in 2020, a year not included in the cost estimate.

CREATES A NEW ENTITLEMENT PONZI SCHEME

- The CLASS Act (a new long-term care entitlement program) appears to make the bill cost less than it does because, as CBO said, “the program would pay out far less in benefits than it would receive in premiums over the 10-year budget window,” raising \$70 billion in premiums that will fund benefits outside the window.
- Senator Conrad has called this “a Ponzi scheme.”

CLAIMS A PHONY DEFICIT REDUCTION

- The reconciliation and Senate bill combined do not reduce the deficit after excluding the more than \$120 billion in revenue generated by the Social Security program and the CLASS Act long-term care entitlement.
- Since this revenue will eventually be used to pay out benefits to these two programs, the bill does NOT reduce the deficit in the near-term—or the long term.

EXPANDS SWEETHEART DEALS

- The reconciliation bill retains the
 - “Louisiana Purchase”
 - Medicare coverage for individuals in Libby, Montana
 - \$100 million for a Connecticut hospital
- The bill adds
 - a provision permitting the Bank of North Dakota to continue to offer student loans while the bill will prohibit all other banks nationwide from doing the same
 - increased disproportionate share hospital payments for Tennessee

EXPANDS MEDICAID

- The reconciliation bill plus the Senate bill would add 16 million people to Medicaid.
- Because Medicaid is a joint federal/state program, this will force states to pay more down the road.

FUNDS ABORTION

- The reconciliation bill fails to prohibit federal funds from flowing to plans that cover elective abortion
- The bill increases funding for community health centers by \$2.5 billion—and neither the reconciliation bill nor the Senate-passed measure include ANY prohibition on community health centers using these federal funds to offer elective abortion.